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TESTIMONY OF ELIZABETH HANFORD DOLE

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

FIRST SESSION

TO RECEIVE TESTIMONY FROM ELIZABETH HANFORD DOLE, SECRETARY-DESIGNATE, DEPARTMENT OF TRANSPORTATION

JANUARY 27, 1983

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TESTIMONY OF ELIZABETH HANFORD DOLE

THURSDAY, JANUARY 27, 1983

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met at 10 a.m., in room SD-406, Dirksen Senate Office Building, Hon. Robert T. Stafford (chairman) presiding.

Present: Senators Stafford, Chafee, Simpson, Symms, Domenici, Humphrey, Randolph, Bentsen, Moynihan, and Baucus.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. The Committee on Environment and Public Works will please come to order.

I am very pleased this morning for myself and on behalf of the committee to welcome Elizabeth Hanford Dole the Department of Transportation Secretary-Designate.

The purpose of this hearing is to provide an opportunity for members of this committee to discuss areas of interest in this committee's jurisdiction, and to hear your views, Mrs. Dole, with regard to transportation policy as far as this committee is concerned.

I want to emphasize that this hearing is informational in nature, recognizing the jurisdiction of the Committee on Commerce, Science, and Transportation in reporting the nomination to the Senate.

This committee has jurisdiction over the Federal-aid highway program, and oversight responsibility for the Federal Highway Administration. In addition, the committee has an interest in other areas within your Department, Mrs. Dole. I think you will find that much of the work of your Department will be concerned directly with this committee.

I might note that I have long been concerned over the need to renovate Washington's Union Station. This committee considers this a priority item. We urge that you act rapidly to implement the recent report on Union Station. This can be accomplished, as the law states, by reprograming funds for the renovation.

It is also important, in the view of this Senator, that the Department of Transportation work closely with the U.S. Army Corps of Engineers in developing a national water transportation policy. Such a policy must recognize the need to lessen much of the heavy taxpayer subsidy that has helped to bring water transportation investment to a standstill.

Several weeks ago, the President signed into law the Surface Transportation Assistance Act of 1982. Many see this as the culmination of

many years of work in providing the solution to the long-term needs of the highway program. And, indeed, this legislation is a milestone. But I hope it will be viewed as a beginning rather than an ending.

We are only beginning to realize that the era of major new highway construction is over. The major task before us is to rehabilitate and preserve the roads and bridges that we now have.

I believe that the earmarking of 1 cent of the gas tax increase for transit investment shows we are beginning to realize how interrelated the various modes of transportation are today. A good transit system can also benefit highway users.

The Surface Transportation Assistance Act of 1982 provides over $57 billion during the next 4 years. While this sounds like a tremendous amount of money, and in Vermont it would be, and it is, it only begins to address the so-called needs of the transportation system. Either the needs will have to be reassessed and revised or additional revenues will have to be found at the State, local, or Federal level.

The bill also attempts to increase the productivity and efficiency of commerce by increasing truck size and weight. We are beginning to recognize that there have been inequities among the users of the highways in the amount of taxes each class pays. This legislation begins to correct that by increasing the taxes paid by the heaviest trucks. However, I believe personally that the heaviest trucks are still not paying an amount equal to the damage they cause to the highways. The impact of these bigger trucks on the safety of other highway users must be closely monitored also. I hope we are beginning to understand that there is a limit to the size and weight of vehicles that can operate safely on our highways.

Mrs. Dole, it is a real pleasure to have you here today and I invite you to come to the witness table. I note your most able and distinguished husband, our colleague, Senator Bob Dole, is here who also had some hand in the recent highway tax legislation on fuels.

Senator, are you pressed for time?

Senator DOLE. If I could just introduce the witness, it will take a minute.

Senator STAFFORD. We will be very pleased to have you do that. I assume you have investigated her background enough.

STATEMENT OF HON. ROBERT DOLE, U.S. SENATOR FROM THE STATE OF KANSAS

Senator DOLE. I looked into everything thoroughly and I still recommend her, even after the hearing yesterday.

Let me say, as a one-time member of this committee, that it is with fond memories that I come back. It is an outstanding committee. It was a great experience for me under the tutelage of Chairman Jennings Randolph. We had a good time in this committee and solved a lot of problems and had a lot of tough questions to answer.

I am pleased to be here to introduce to the committee my wife, Elizabeth. I think most of you have had an opportunity to meet with her privately, discussed specific questions you might have and, so, I don't really believe I can add much more. I will leave unless there are any questions of me.

Senator STAFFORD. We appreciate your being here and we understand your pressures as a result of other business.

Senator CHAFEE. She has your unqualified support?

Senator DOLE. Yes, I am already locked in.

Senator STAFFORD. Senator Randolph.

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Mr. Chairman, I join you and other members of our committee in welcoming the nominee. I have enjoyed the friendship of Bob and Elizabeth for many years. Recently she visited me to discuss the duties for which President Reagan has chosen her in these troubled. times.

Mrs. Dole, you have served the public in diverse areas which should enhance—and I use that word advisably—your ability to succeed as a Cabinet member. You have served in the Executive Office of the President and as a Federal Trade Commissioner, you are assistant at the present time to our Chief Executive in the position of public liaison. I don't know what that is exactly, you might fill us in, but you have dealt with the public and still do.

These assignments, I am sure, have been beneficial for your training experience within the Government downtown and your understanding of the working on Capital Hill.

We are tremendously involved in this committee, as the chairman indicated, because the matters that come before us relate to various user and interest groups that are affected by this Cabinet department.

Mr. Chairman, and my colleagues, we do know that Mrs. Dole follows an effective Secretary of Transportation, Drew Lewis. He served during 2 tumultuous years and helped to bring forth necessary legislation which can and will be the cornerstone for our transportation network in the years ahead.

The new Secretary-Designate will, I hope—and I am sure that hope will become a reality—cooperate to implement the legislation which in many characteristics was the result of the very very splendid efforts of Drew Lewis.

I am not only prepared, I am happy to work with Mrs. Dole as she undertakes a very crucial and an important task. This hearing is not just a pleasantry. As we come together, we shall hear your views and we will give you our thoughts. We want to work with you, on the implementation, first of all, of the recent Highway Act and other vital transportation matters.

I thank you, Mr. Chairman.

Senator STAFFORD. Thank you very much, Senator Randoph.

At this point in the record, without objection, the Chair will place, in the record, a statement of the majority leader, Senator Baker. He expresses to you, Mrs. Dole, his regret that his duties as majority leader require him to be in the Capitol this morning instead of here with us. We are still delighted that he remains a member of this committee.

[Senator Baker's and Senator Symms' statements follow:]

STATEMENT OF SENATOR HOWARD H. BAKER, JR.
ON THE NOMINATION OF
ELIZABETH H. DOLE
AS SECRETARY OF TRANSPORTATION
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

January 27, 1983

I am pleased to have the opportunity to welcome Elizabeth H. Dole as the President's nominee to serve as Secretary of the Department of Transportation. I applaud her nomination, especially since she will become the first woman to serve on President Reagan's Cabinet.

Having observed Elizabeth Dole's performance in a variety of roles here in Washington, I know she will be a great addition to the Department of Transportation. She brings a wealth of professional experience and management expertise to the Department. I am confident that she will be a creative, effective administrator of an Agency with the variety of goals and objectives that the Department of Transportation has.

As we became acutely aware before Christmas, there are a number of critical transportation issues which need attention. Having passed the highway bill in the last days of the 97th Congress, we will now look to able leadership of the Department of Transportation to implement the measure we passed.

The Committee on Environment and Public Works has begun work on legislation for jobs creation and public infrastructure rehabilitation and repair. We will seek the

advice and assistance of the Department of Transportation in formulating workable solutions to the very real problems we face throughout this country in dealing with these critical issues. I am hopeful that if confirmed Elizabeth Dole will play a key role in the Committee deliberations.

I heartily endorse Elizabeth H. Dole's nomination as Secretary of Transportation and take great pleasure in supporting her confirmation.

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OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. I am pleased to welcome Secretary-Designate Elizabeth Hanford Dole to this informational hearing by the Committee on Environment and Public Works.

As chairman of the Transportation Subcommittee, I am looking forward to a continuation of the excellent working relationship we have enjoyed with Secretary of Transportation Drew Lewis. During these past 2 years, there have been significant accomplishments in Federal highway legislation and a growing national awareness of the importance of a sound, well maintained highway network.

I welcome this opportunity for members of the committee to become better acquainted with Mrs. Dole. Your nomination as Secretary of Transportation comes at a critical time for the Federal-aid highway program. With passage of the Surface Transportation Assistance Act last month, we now have increased revenues available to begin the much needed repairs and rehabilitation of our Nation's roads and bridges. I know you share my concern that those additional dollars are well invested. Highway needs remain larger than the available resources, and I think it is essential that we continue to examine the role of Federal financing along with other financing alternatives.

You have a very distinguished record in public service. I congratulate you on your nomination and look forward to working with you in meeting the vital transportation needs of this country.

Senator STAFFORD. Senator Chafee, do you have an opening statement?

Senator CHAFEE. I do not.

Senator STAFFORD. Senator Bentsen.

Senator BENSTON. I would like to welcome the Secretary of Transportation designate, Mrs. Dole, and to comment that we have been fortunate for having a real bipartisan approach to the questions of transportation in this committee. Unfortunately, everytime we get in a budget crunch, one of the things they say we can defer is the modernization or the construction of ports and highways and bridges and it really ends up by being an extremely expensive procedure. The idea of having to rebuild them instead of maintaining them, the idea of not meeting the increased problems of transportation is one that we have paid a large price for. We will be looking forward to working with you and trying to see that we have an ongoing and continuing improvement of the transportation facilities of this country.

Mr. Chairman, I have some detailed questions that I would like to ask the Secretary at the appropriate time.

Senator STAFFORD. Certainly, Senator.

Senator CHAFEE. Mr. Chairman, I presume the format here will be that Mrs. Dole will make a statement and then we will each have a chance to ask some questions after that?

Senator STAFFORD. Exactly.

Senator CHAFEE. I will have some questions at that time, but I do want to join the others in welcoming Mrs. Dole, and to say we are delighted and think the President made a fine nomination.

Senator STAFFORD. At this point the Chair would, without objection, reserve the right to all members of the committee who can't be

here this morning to submit questions in writing for your answer at your earliest convenience, Mrs. Dole.

Having said that, Senator Simpson.

Senator SIMPSON. Mr. Chairman, my remarks are very brief. I want to commend Mrs. Dole. I have, in my time, found her to be a very extraordinarily capable lady. I came to know her from my early time here and we have worked together in various capacities. She has an extraordinary academic and practical background and experience in dealing with Washington, D.C.

We do, as Senator Bentsen said, have tough issues confronting us, and as Senator Randolph and Senator Stafford have indicated, we deal with those in a very nonpartisan way on most issues.

I look forward to working with you and I am sure you are going to do an excellent job. Nice to have you here.

Senator STAFFORD. Thank you, Senator Simpson.

Now, Mrs. Dole, we will be more than pleased to hear from you.

STATEMENT OF ELIZABETH HANFORD DOLE, NOMINEE FOR SECRETARY OF TRANSPORTATION

Mrs. DOLE. Thank you, Mr. Chairman. I am delighted to have the opportunity to appear before the members of this committee this morning. I thank you for that opportunity. It is my intention to answer your questions forthrightly and as fully as I can. I will certainly welcome your advice and counsel as I move into my responsibilities, if confirmed, and I look forward to working with you very closely over the months and years ahead.

I want to just begin by congratulating this committee on the outstanding work that you did on the Surface Transportation Act and the passage of that very important legislation and I especially welcome the opportunity, if confirmed, to work with you in the implementation of that very historic and important legislation.

It has been a real privilege for me to serve the Government in a number of capacities, both in this administration and in earlier administrations, and I am honored that President Reagan has asked me to serve in his cabinet, and I will certainly make every effort to justify his faith in me and to earn the confidence and support of the American people.

Ultimately, of course, I work—as you do—for the people themselves. Senator Randolph, you asked about my functions as assistant to the President for public liaison. I would just mention briefly that I think this has given me an opportunity to work with citizens and with organizations representing literally millions of organized Americans in a number of capacities. I have worked with the labor unions, the business organizations, agriculture groups, the veterans organizations and many others representing their concerns, taking their issues and their views to the highest level of Government and it has provided me an opportunity to work with them very closely, and I will continue to work with many of them in the Transportation Department. It has been a two-way street, an opportunity both to understand and to work with their issues of concern and then, once policy has been finalized, to provide as much information as possible about those policies in working with these organization leaders.

My view is that an open door is symbolic of an open mind and that is what I have tried to have at the White House and I will certainly continue to maintain it in my new responsibilities.

I am most grateful for the outstanding work that Secretary Lewis has done over the past 2 years. I know I have big footsteps to follow in. I have the highest regard for the way Drew has handled a broad range of issues, and tremendous admiration for his resolve and his commitment to principle. To the traveling public he has shown both commonsense and an uncommon sensitivity. I intend to follow that example. I look forward to continuing his practice of regular consultations with congressional leaders, as I mentioned, and with relevant committees. I believe that we have accomplished much on the transportation front over the last few years and I know you will join with me in a desire to maintain the momentum.

I think perhaps most important of all, we must take very serious, at the Department of Transportation, our mandate to safeguard human life. With that objective uppermost, we must be untiring in efforts to curb drunk driving, to increase the use of safety belts and child restraints systems, and to end the senseless slaughter of innocent lives by those who forfeit a claim to our sympathies by their own irresponsible behavior on America's highways.

Now, there are a number of general principles that will guide me in the decisionmaking process. Perhaps it will be wise to take just a moment to reiterate those, and I again look to you for support and counsel as I move into this new phase of my career.

Safety in all modes of transportation, for example, will have high priority, as I mentioned. I will seek to intensify the Federal focus on transportation safety programs.

Administratively, I believe with all possible conviction in a style of management that treats employees as partners and allies in a common cause. I view two-way communication as an absolute prerequisite to good administration. And I intend to go on listening and asking questions and thinking carefully about what I am told in response—just as I have tried to do in these last 2 years in literally hundreds and hundreds of meetings with private sector organizations.

I am keenly aware that good intentions can sometimes be scuttled by bad administration, that the Nation's Capital and its policymakers have no patent on wisdom, and that there is nothing incompatible between a government that cares about people and one that cares about spending their money wisely. With this in mind, we at Transportation will search out new ways to reduce expenditures without curtailing essential services and we will explore ways to be more effective in motivating people.

We will continue to pursue the process of deregulation whenever it serves the best interests of the public, but we will remain sensitive to the temporary dislocations that changes in regulatory policy can cause. Especially within the Federal/State/local partnership will I seek to reduce the redtape that too often frustrates ambitions and stifles creativity.

Transportation is the lifeblood of a modern economy. We know that it spells the difference between cities that are great, and neighborhoods tinged with despair—between rural life made prosperous and that lived out on the margin of existence—between a nation drawn

closer in awareness of its own potential and one at odds with that potential.

Because I see such possibilities, and because I know you share my view, I look forward to working with you in serving our Nation of travelers.

Thank you very much, Mr. Chairman. I will be happy to respond to any questions.

Senator STAFFORD. Thank you very much indeed, Mrs. Dole, for an excellent statement. We continue to be happy you are here this morning. We look forward to a long period of successful cooperation between you, your Department, and this committee which has been noted as truly a bipartisan committee in approaching the problems in our jurisdictional areas.

Let me just ask a few questions, and I will limit myself to 7 or 8 minutes so that others can ask questions also.

The Surface Transportation Act of 1982 was, in our view, a major step in Federal highway legislation. To the extent you have been able to examine it, what are your chief concerns in implementing that legislation?

Mrs. DOLE. Mr. Chairman, I would just say that the most important thing now is to get that money out and spent, to move quickly, efficiently, and effectively, I believe that we are indeed on that road. Highway and transit apportionments have been made. States can begin applying now against those apportionments. This is moving well.

UMTA is publishing guidelines for the new section 9 block grant program. I think the major goal is to move quickly to implement the new program. I am pleased that is going well.

Senator STAFFORD. We are glad to hear that indeed.

Many highway users have expressed concerns about the effect of recent increases in truck width, length, and weight on highway safety. Studies by DOT and others show that those concerns are likely justified.

How is the safety problems with larger and heavier trucks being addressed?

Mrs. DOLE. Mr. Chairman, let me say that I am only aware of one study that might indicate this kind of problem, and my understanding is that the methodology in that particular study was seriously flawed. I will certainly welcome any information on this issue—and, of course, would review it thoroughly. But, it is my understanding that there is just one and it had serious methodolgy problems.

Of course, as far as the heavy trucks are concerned, there are three States where they were not permitted earlier so this new law will eliminate those barriers in those States. These trucks have been traveling safely in our other States.

As far as the long double trailers, that will require special driver training, which I understand that companies will certainly be providing. As far as the secondary roads, that is something that we at the Department of Transportation will be proceeding on very cautiously and conservatively with safety as the No. 1 factor. We will work with the States to determine that they are safe before long double trailers are allowed to travel on these roads.

Senator STAFFORD. Thank you very much.

Last September the Federal Highway Administration proposed a change in the application of existing environmental law to historic bridges which causes me some concern.

Do you believe that the alternative of preserving, rehabilitating and reusing historic bridges has been adequately considered and encouraged by FHWA?

Mrs. DOLE. I understand there is difficulty in that there is some duplication between two statutory provisions—the DOT Act and the law that you refer to. I believe that what we have to do there is pursue efforts to eliminate duplication on the one hand, and, on the other hand, preserve our environmental picture. I certainly will work to that end.

Senator STAFFORD. Do you intend to make every effort to achieve an early resolution of the problems that have held up the renovation of Union Station and reprogram funds to that goal?

Mrs. DOLE. Yes, sir, I do. I would hope that this would be one of the first actions that I take. Drew Lewis indicated that he would provide information by mid-February as to the possible means of funding. I am confident that I can meet that goal of providing that information to the Congress by mid-February and I think we should move with all due speed on Union Station.

Senator STAFFORD. Mrs. Dole, the Federal-aid highway program has been greatly increased. How can we continue to make certain that our transportation system is accessible to the handicapped?

Mrs. DOLE. Well, of course, the new law does require regulations in this area and that they be provided immediately. We will certainly be moving quickly to review that situation and to provide regulations that recognize the transportation needs of the handicapped.

Senator STAFFORD. Thank you very much. A couple of boiler plate questions.

I would say to my colleagues that your financial background statement is on file with the committee. Do you know of any holdings or positions you might have that could constitute a conflict of interest in connection with your services as Secretary of Transportation?

Mrs. DOLE. No, sir, I do not.

Senator STAFFORD. Would you be willing to appear in front of any committee of the Congress at its request as a witness, including the Finance Committee?

Mrs. DOLE. Yes, sir, I would be happy at any time that I am needed to present the views of the administration and the Department of Transportation. I certainly will be pleased to do so.

Senator STAFFORD. Well, you have convinced the chairman of this committee that you ought to be promptly confirmed.

Mrs. DOLE. Thank you, sir.

Senator STAFFORD. Senator Randolph.

Senator RANDOLPH. Thank you very much.

Mrs. Dole, with the passage of the Surface Transportation Assistance Act, including the gasoline tax increase, a substantial amount of funding has been made available for construction and repair. The Congress has placed an obligation ceiling on fiscal year 1983 and the out years of substantially the level of the authorizations.

As Secretary of Transportation, will you seek to implement that provision in the legislation which would insure that highway spending will reflect the increased gasoline tax revenues?

Mrs. DOLE. I will. Certainly a large amount of additional money is provided. As I mentioned earlier, we want to move quickly and expeditiously to provide that money to the States and to see that that is spent quickly and well.

At this point, of course, with the fiscal year 1984 budget still under wrap, so to speak, it will be a short while before it is available to look at and to discuss. But, certainly I anticipate more money being spent and I look forward to working with you in the implementation of this legislation.

Senator RANDOLPH. Thank vou very much.

I think that as Members of the Congress—certainly of this Senate, this committee—we do have from time to time, and understandably so, views which may appear provincial. But, in the transportation network of the country one project is tied naturally to another—it is not like a building there or a building here. The mobility of America with the products of the farm, the factory, the field, and the mine, moving to the users and consumers over the same roads as the people who travel to and from their employment—which we hope will increase—and also of those who come from one State to another to see the beauty that exists in our lands.

I guess I am very provincial now in saying that just this past weekend in West Virginia, which is becoming a ski resort State, we have had 11,000 individual visitors to West Virginia to ski and to enjoy the wonderful scenery which even in the winter time is enthralling. They were there to ski but they came in only one way, they came by roads. They came from Pittsburgh, from Washington, from Philadelphia, from Richmond, they came across this country to be with us for those 2 or 3 days.

So, whether it is for one reason or another, the road system of our country cannot stop at one point and begin at another; there has to be continuity. I am not making a speech on the subject except to say that this is a subject with which you are going to have to keep constantly, as you will, on top of.

The project that I mentioned, as the chairman and others of my colleagues know, concerns the securing of Federal funds under the bridge discretionary program, something which we felt was absolutely necessary. It comes down to a bridge across the Ohio River and that bridge is between Weirton and Steubenville and by reauthorizing the bridge discretionary program that is under section 144 of title 23, an additional $200 million has been made available to the States.

Will West Virginia receive sufficient funds this year so that we can proceed with the necessary next contract, because a delay is really injurious.

I am not asking you to make a commitment today, but I would like to hear your thinking about the future resources, not only for Weirton and Steubenville, but about other contracts. Will we go forward as required under the legislation that has been passed?

Mrs. DOLE. Well, I certainly intend to follow through on what the law requires, Senator Randolph. I think on any specific project I do

want to understand that project completely and respond in a more definitive way at a later time when I have had a chance to really become familiar with the details. Obviously, that is something that I am not able to do in the short time that I have had.

But in terms of enforcing the law and upholding the will of the Congress, that, of course, I will do across the board.

Senator RANDOLPH. There is a provision of the 1982 Act which has particular importance to me, that is the section on what we call innovative technology. If we are to reconstruct our highways with the expectation that they will last and not decay, we must look at both cost saving and stronger material. It is very necessary that we keep on top of this innovative program.

The section that I refer to authorizes a Federal share increase for States who use recycled tires on proprietary pavements, strengthening materials in construction or reconstruction projects.

Now, I am sure that DOT intends to implement this program. Would you comment?

Mrs. DOLE. Yes, indeed. As I understand it, the procedures under that provision have to be spelled out within 90 days of the signing of the legislation and so that would be my goal and it is certainly my hope. I am optimistic that we can meet that deadline to have those procedures in place by the end of the 90-day period is that can move forward.

Senator RANDOLPH. That is a very satisfactory response.

Our good chairman talked about bipartisanship and that makes us very happy because under the working agreement with all of us we followed that. I wouldn't want to be misunderstood, but I am so glad that President Reagan is doing a very bipartisan job in selecting women for high positions in the Federal Government, including the Cabinet, because as you know, that was begun by a Democratic President, Franklin Roosevelt in 1933, when on the day of his inaugural speech he nominated the Secretary of Labor, Frances Perkins.

So, it is in that spirit, you see, of the Democrats acting 50 years ago, and the Republicans acting now but the same working agreement is understood.

I will hurry through.

In 1980 the members of this committee—and I commend them all—originated, and the Congress understood our concern, and then passed what we called the emergency bill to authorize the roof repairs to the Union Station building. Now the repairs to the central third of that roof were completed this year.

Can you tell us would you express a desire to move forward so that necessary work can be completed as quickly as possible?

Mrs. DOLE. Yes, sir; indeed I would. I am very enthusiastic. I know Senator Moynihan and others and certainly you are enthusiastic about moving expeditiously on that project. I would anticipate that they can work together on that and I would like your counsel as we move forward. That roof aspect should be completed quickly. Secretary Watt and I will be discussing that and then there are, of course, steps to be taken to determine funding and to move forward. But, as I mentioned earlier, I think that should be one of my first activities.

Senator RANDOLPH. A final question.

In connection with Union Station, it is not only the roof, but we need to complete the parking garage and turn the main building back into a passenger station.

Are you in accord with that type of thinking.

Mrs. DOLE. Yes. I understand the concept is something like an opportunity to develop a first-rate station and facilities with office space and other aspects as well, and I think it is a very fine plan. I look forward to getting into the details of it. But, I think we should move quickly to get it into place.

Senator RANDOLPH. Thank you very much.

Senator STAFFORD. Thank you very much, Senator Randolph.

Senator Chafee.

Senator CHAFEE. Thank you very much, Mr. Chairman.

Again I want to join in the welcome of Mrs. Dole. I had the privilege of campaigning with her in 1982 when we went to various stops in Detroit and other areas, and it was a great pleasure. I must say it was a particular pleasure to appear with her in joint TV appearances and I think she attracted a good deal more attention than I did as we traveled.

Mrs. Dole, you and I have discussed, when we had the chance to visit together, the Interstate Highway System and I expressed to you some of my concerns about what seems to be an inordinate amount of money that we are putting into the Interstate Highway System to constantly make it safer. Everybody is for safe highways, no one is going to argue with that, but it seems to me we carry it to an extreme, particularly when this Nation must work under certain fiscal constraints. I would ask that you just give some thought to that.

I know Mr. Lamm will be talking with you about it and this is something I have had a long interest in, although, I must say, I cannot report that I made much progress. I think I first raised this 6 years ago and I was assured that the money isn't being wasted—but, it seems to me, it is to some degree. I know we want our highways safe. I just would ask if you would keep an eye out for that particular point.

Another point I would ask you to pay some attention to, if you could, it seems to me that on the Interstate Highway System which, of course, the Federal Government basically builds, the attitude is becoming more and more that since these are national assets, that it is the Federal Government's responsibility to maintain these roads through the 3–R program and various other programs which more and more revolve around Federal moneys.

It is my judgment that the Federal Government rightly should be involved in the construction of these highways but that the maintenance of them must develop upon the States with some assistance, perhaps, from the Federal Government.

Several years ago we tried a program, and I don't know what became of it, that the Federal Government would put this responsibility on the States and if the States didn't follow through with it then the States would lose its funding for its regular maintenance programs not only for the interstate but for the primary and secondary roads.

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What I am saying is that I know the States are not in a strong financial position in many instances, but if we are going to be locked in perpetuity to maintain these highways, all 40,000 miles or so, I think it is something that we never expected when we entered into this program.

So, my wish is that you would give some thought to the maintenance of the interstate highways with the responsibility devolving upon the States, not entirely but far more than they are prepared to assume now.

Do you have any thoughts on that? I know we can't expect you to know every detail of this new program which you are just getting involved in, but I would ask you to give it some attention.

Mrs. DOLE. I would be happy to do that. I think I would like to give that some serious thought before I respond in any detail to that.

This is slightly off your question but in terms of returning some responsibilities to the States in the form of block grants, there is, of course, discussion now of some possibilities there with regard to programs for safety construction, roads, secondary roads and urban roads. But, that is a different question. But, I will certainly be happy to give that serious thought.

Senator CHAFEE. The States obviously are smart and they are not going to take on any more fiscal responsibility than they can avoid. And if the Federal Government persistently assumes its responsibility, not only the construction of these interstates but their maintenance, then we are bogging ourselves into a project that I think should belong more locally.

Second, this committee and the U.S. Senate in a vote strongly rejected the "Buy American Provisions" and the House embraced it in connection with the gasoline tax and the highway program that we voted on in 1982. Specifically, the House passed a bill requiring that 100 percent of the steel and cement and other ingredients used in highway and bridge construction be American made. This was rejected by the Senate.

Do you have any views on this "Buy American Provisions"?

Mrs. DOLE. Well, of course, the administration did not seek an expansion of it. It is the law, therefore I will uphold it.

The "Buy American Provisions" go into effect immediately. FHWA has proposed interim regulations that are in place now which will be replaced with the final regulations at least by September 30 of this year. There are a number of questions that have to be answered. It is a very complex area with regard to steel, cement, and all manufactured products, and that will require a great deal of attention on our part.

Senator CHAFEE. I would urge that you or your staff take a close look at the colloquy that took place in the Senate in connection with the conference report on the highway bill that we voted on in December. Because it was not the agreement that there be 100-percent steel, cement and so forth, as a matter of fact, what we agreed to was that the law remain exactly the same as it was verbatim with the exception that the so-called differential, in other words, the amount that the foreign product has to come in at lower than the domestic product, was changed from 10 percent to 25 percent. We agreed to that. So the 25-percent differential is in the statute now or should be and is. But the colloquy makes clear what was the agreement between the

Senate and the House in connection with the conference report. The language itself is fuzzy. It is my hope that when we come to technical revisions in that law, that we will straighten it out and return to what exactly was agreed upon. And that is made clear in the colloquy in connection with the conference report that took place in December. Involved in that colloquy were, I know, the distinguished Senator from West Virginia, the senior Senator from New York, myself—I don't recall who else—but certainly I recall that the three of us partook in it.

So, I would hope that before issuing any regulations and bogging down any road that requires 100 percent of all construction materials be American made, that that colloquy be reviewed and that you be aware that the agreement was otherwise and will in my judgment be correct.

Mrs. DOLE. Thank you, sir. I have heard of this particular concern from several members of the committee. Of course, that does involve a technical amendment to be addressed by the Congress. I appreciate you raising that.

Senator CHAFEE. Thank you.

Thank you, Mr. Chairman.

Senator STAFFORD. I thank you, Senator.

It might be worth noting here that the agreement the Senator kept referring to was the agreement of conferees between the House and Senate and the Senator is quite correct. I was also part of that.

Senator CHAFEE. I apologize. The chairman definitely was part of that colloquy.

Senator STAFFORD. Senator Bentsen.

Senator BENTSEN. Thank you very much, Mr. Chairman.

I had discussed these particular issues with the Secretary of Transportation Designate in my office because I wanted her to be aware I was going to ask these questions today and she would have a chance to study them and give a considered reply.

Mrs. Dole, I am particularly concerned about the problems of rapidly growing cities and their mass transportation. The city I find that has the most acute problem at the moment is the city of Houston. It has been one of the fastest growing cities in the country. It is desperately in need of an effective mass transit system. Over the past several years that city has made substantial efforts in trying to resolve that problem. They have increased the taxes on their own people, they have committed not to use Federal funds for subsidies for the mass transit system but for capital improvement. They show the kind of commitment, I think, that is necessary to try to resolve this problem. I am committed to work as hard as I can to assure that Houston's mass transit program gets fair treatment from the Federal Government.

Now, when the administration proposed the gas tax bill with its mass transit future in it to the lameduck session of the Congress, at that time they opposed new starts, and the funds were to go solely to some of the older systems. No question about the need of the older systems, we understand that. But I thought it was grossly unfair to ask people to increase the taxes that they pay and then deny them access to the funds.

I discussed that at length with Secretary Lewis. Secretary Lewis told me he felt the same way personally but there were those within the administration that felt strongly that new starts should not be included. We had considerable debate over that issue. And it was made quite clear that there were a number of us that would oppose that legislation unless a provision was made to support new starts that are cost effective. In no way am I asking for a blank check for such systems or for prior approval of a specific system. Only in the event that it is cost effective then I want to be assured by the Secretary Designate that there has not been a change in positions since the law was passed, and that the administration and the Secretary Designate is supportive of cost-effective new starts for mass transit.

Mrs. DOLE. I will give you that assurance, Senator Bentsen. That very definitely is the situation. New starts are eligible for funding from the user fee revenues and full consideration will be given to the Houston application. The need is recognized, it is a priority consideration and new starts are included. We will go forward, as I mentioned earlier to implement the law and that is certainly the way we will proceed.

Senator BENTSEN. And you will be supporting cost-effective new starts for Houston or any other city?

Mrs. DOLE. That is correct.

Senator BENTSEN. And obviously that includes Dallas. I find I get very ecumenical, but for one that has traveled 14 miles an hour on those freeways in Houston, I understand how serious the problem is and Dallas with a central expressway is beginning to rival the problem.

I would like to ask you about the Coast Guard. As one who represents a State that has a substantial coast line, as does my friend here from New York, I am deeply concerned about what is happening to the Coast Guard. We keep expanding its efforts and its responsibilities but we have had a very difficult time modernizing their fleet and they have taken on the additional responsibility of drug interdiction and have been very effective.

Last year some of us fought very hard to get additional funds for the Coast Guard and we were able to do that. An example of what is happening to the Coast Guard is the one of a 40-year-old buoy tender that yesterday began taking on water on a routine voyage from Alaska to Hawaii. Officials indicate there are between 40 and 50 crew members on board. The ship has been in a storm with 30- to 40-foot waves and 80-mile an hour winds. She is holding her own, as I understand it, today, but a Japanese vessel is approaching it and standing by to try to be of assistance to the crew.

That sort of thing has been repeated in many of the vessels, the vulnerability because of the age of those vessels.

I am concerned as to the support of the administration for the Coast Guard in trying to keep it effective and I would like your comments concerning it.

Mrs. DOLE. I think the Coast Guard does an outstanding job. As you say, they have taken on responsibilities in the area of drug interdiction; the question of the refugees; the fisheries program, and other important areas. They have been very effective in the refugee area.

Let me say that I wish we could give unlimited funds to the Coast Guard because I do think they do an outstanding job. Of course, in this era of trying to bring deficits down and cut the rate of growth in Federal spending and to really get our economy back on a healthy track again, it is not possible to give those unlimited funds. But I am assured by Admiral Gracey, Commandant of the Coast Guard, that the funding that will be provided will enable him to carry out all of the priorities of the Coast Guard. I have had that assurance from him that this will provide what is needed.

Of course, as I mentioned earlier, I am not able to really discuss the fiscal year 1984 budget because it will be announced next week by the President.

But I certainly will agree with you on the job that they are doing and how very important they are to our Nation.

Senator BENTSEN. Mr. Chairman, my enthusiasm for the Secretary-Designate has continued to increase as I listen and I think I will stop now.

Senator STAFFORD. Thank you very much, Senator.

Today, my colleagues, you will recall in the last Congress we adopted the custom of recognizing Senators in the order of their appearance after Senator Randolph and the chairman and in accordance with that custom I would, unless there is objection, I would next recognize Senator Moynihan.

Senator MOYNIHAN. Thank you, Mr. Chairman.

May I welcome, with the greatest enthusiasm, an old friend to new duties.

I have two questions, one very general and the other somewhat parochial.

The President in the state of the Union message spoke of the importance of moving ahead with legislation on deep water ports. That is the responsibility of this committee and yet couldn't be more a direct concern of the Secretary of Transportation. The lines of responsibility are not as clear as they ought to be. We have been struggling with this and we were pleased to hear the President mention ports. He spoke of a particular problem. We have a sense that the Europeans are in the process of making 30-to-40 year contracts for coal. They will be making them with Australia or South Africa or the United States, but it will in part depend on whether the new class of collier, the equivalent of the super tanker, can find a harbor in which you can get the coal. These colliers are generally described as drawing 55 to 60 feet. The Europeans are building any number of deep draft ports—the Italians, the French, the British, the Dutch—to receive the colliers, but we have not. Now the process by which we go about this subject is the same as we have done for a century and a half—the original public works of the United States was the harbor improvement. With the normal workings of our committee structure, by the year 2020 we will have about 15 of these ports. It will be too late, but we will have them. What we need is about three by the year 1990.

And without asking you to commit yourself, may I say the committee has been very active. We have not been able to get the port authorities to agree and there is certain arbitrariness of picking three or four, but not to do some in the very near term is to miss an extraordinary economic opportunity which depends on transportation.

As Winston Churchill said: "Victory is the beautiful bright colored flower. Transport is the stem without which it could never have blossomed." And the President spoke of it as well.

Could we ask if you would be interested in that subject? It is, in fact, an interesting subject.

Mrs. DOLE. Yes; indeed it is. It is of concern to me. I would just add a footnote on that that I hope we would be able to move forward with legislation on user fees in this area.

Senator MOYNIHAN. That is fair. I think this committee has been disposed in that regard.

Mrs. DOLE. I will look forward to working with the committee and developing that legislation.

Senator MOYNIHAN. How would you go about this?

Mrs. DOLE. I think the administration expects to send some legislation to the Hill. But I would like to work with the committee to talk this through in terms of what the best planning strategy would mean. I am leaving it open to work with you to develop this.

Senator MOYNIHAN. Meaning no criticism, and I don't, the administration is not the best at sending legislation up. We waited 2 years for the Clean Air Act and we are still waiting. We have principles and in principle you are in favor of seaborne transportation for coal?

Mrs. DOLE. Yes, indeed.

Senator MOYNIHAN. I got that settled. Now let's get down to important things. In this last legislation one of the more controversial aspects was increasing the length and width of vehicles that can use the interstate system. For the long run associated with the use of the system in the Great Plains and Mountain States, this makes economic sense. It doesn't make quite as much sense in downtown Manhattan. In the city you are kept to a limit of 55 feet and I can imagine Providence has a limit and Boston has a limit and Houston has no limits on anything, but it will one day have a limit.

Where there is a city or State ordinance that restricts the size of vehicles on the city streets, will you be prepared to accept that even though these vehicles can use the Interstate System? Do you accept the proposition that local ordinances ought to prevail there?

Mrs. DOLE. Let me say that there is now a process under way to make determinations in this area. There is no question that safety is the No. 1 consideration, when these trucks go off the Interstate to reach a terminal or forest facilities or whatever. The Federal Highway Administration is at work right now in terms of determining how this will work out. This will be done in close cooperation with the State department of transportation, with local and State officials, with the private sector. There will be a great deal of consultation going on and those determinations will be made very conservatively and with safety as the No. 1 factor to be considered and only where the roads are determined to be safe for that type of transport. Consultation is, in fact, already going on.

Senator MOYNIHAN. I think consideration of most of the cities that I am aware of is really just traffic jam. These things are a grid lock in themselves. Two of them, if they ever got cross ways could.

Mrs. DOLE. I don't foresee that they will be on all of the streets of New York City. As I say, this is all in process right now.

Senator MOYNIHAN. Would you, in the spirit of this administration, assume that he governs best who is closest to the people in the sidewalks with the mayor? I remember there are deep principles involved here.

Are you going to have the Federal Government enforcing its will upon the helpless people?

Mrs. DOLE. I think the process is moving appropriately in consulting right now with those officials and we will have an understanding and a meeting of the minds.

Senator MOYNIHAN. Good for you. I did hear that you would want to interpret the law conservatively in the sense that reasonable access is not the garment center.

Mrs. DOLE. It is not the garment center.

Senator MOYNIHAN. Thank you.

Senator STAFFORD. Thank you.

The Chair is delighted now that the gentleman who is the chairman of the Subcommittee on Transportation has come into the room.

Senator Symms is obviously the gentleman you will be doing more conversing with than any of the rest of us.

Senator, if you have an opening statement of any kind, this would be an appropriate time or if you want to put it in the record, we will have it in the record immediately after my own and Senator Randolph's.

Senator SYMMS. I will ask unanimous consent to put my opening statement in the record.

Senator STAFFORD. Without objection, so ordered. (See p. 6.)

Senator SYMMS. To you, Mrs. Dole. I want to say that we look forward to having a continued good relationship with you that we had with Secretary Lewis. And I know that there are many, many issues that we will be having oversight on- and in-line with questions that Senator Moynihan asked with respect to the principles of the people closest to home having something to say about how things are, what is your general attitude about the 55 mile an hour speed limit?

Mrs. DOLE. Well, let me say that I feel, first of all, that in areas where I have lived, such as this year Boston and New York, that there is a very good reason for it in terms of safety and fuel efficiency. I can certainly understand how some from other parts of the country would have some reservations where you have low density population and wide-open spaces.

The administration, if it is the will of the Congress to move to change the law, would support it. But the administration will not be sending legislation up to that effect.

I would just add that there is a National Academy of Sciences study going on right now on the 55-mile-an-hour speed limit and I really do look forward to seeing the results. It will be completed in a few months.

Senator SYMMS. I look forward to seeing that too. My concern is that in most of the States that have wide open spaces there are few of them that have strict enforcement. Even on interstates if you drive 55 you have to get out of the way because people are passing you. I wonder if we are not putting ourselves in some kind of difficult enforcement situation for all the States in setting a pattern that the speed limit is 55 but it is really OK if you go 65. Sometimes I wonder

if we wouldn't be better off if we had a realistic speed limit and try to enforce at that level.

I know historically Americans try to drive 5 miles an hour over what the speed limit is thinking they cannot get a ticket. So maybe having it at 55 does some good, but I think it is a problem in those wide open States in the West for commercial transportation as well as just people driving on the roads at 55. It is really an inconvenience, particularly in the States of Wyoming, Montana, parts of Idaho, and so forth. It is just a real inconvenience for people and it is hard for those States to enforce it because there is no willingness on the part of the State legislatures and the Governors to be out front trying to obtain strict adherence to the law and it puts us in a difficult situation in trying to use that as a carrot on a stick on highway funds.

I would appreciate seeing that report and appreciate your consideration in that issue.

Last year when the bill passed in the lameduck session, and I mentioned this to you in the office, the Senate version of the mass transit funds had a lot of flexibility in the way the State governments could decide how to spend their mass transit dollars and also we had a one half of 1 percent of the total mass transit funds allocation minimum for each State which I believe was the administration's position.

As the legislation turned out, I don't believe that one half of 1 percent is in the law when it came back from conference, but knowing that the administration supported that concept, I wonder if you would care to share with us what your attitude is toward the flexibility from which these funds may be used by individual States, that that might have a completely different problem—North Dakota would be one that would come to mind that would have a much different problem for mass transit than Houston, Texas, or New York, or some of those areas.

And the other attitude would be how flexible are the parameters in which the States can use that money, how far can they go, can they use it to make a parking lot, urban streets, bridges.

Mrs. Dole. As you mentioned, that particular provision to be able to shift money from UMTA spending over to the highway area did not pass. I would want to look at it carefully now in light of the way the legislation came out rather than make a definitive statement on it today.

As far as the flexibility, there is a great deal of flexibility as to how the States can utilize the money. The principle is that those who are closest to the problems should make the determinations as to what the programs ought to be. Those priorities as to how the money should be allocated are now being discussed with the Department of Transportation.

In fact, early on, the Departmental called together the State DOT's to ask them to be looking at priorities so that they could move quickly after the legislation was signed into law.

There is flexibility and I think this is the way that it should be so that the decisions are being made by those who are closest to the needs.

Senator Symms. I am not sure you are aware, but there was one vote on the floor of the Senate where, in addition to the one-half of 1 percent on all the highway funds, every State now is guaranteed they are going to get 85 percent back. There was one vote on the floor of

the Senate that I think had it not been for some major, shall we say, arm twisting on the part of some of our friends to try to keep the bill together, the majority leader and others, that it would have passed. So I think there is a great deal of support.

I want to emphasize this to you. There is a great deal of support. If we are going to have an integrated transportation system in the country where in many areas mass transit can be an important role in it, but in order to keep the political support for the program I would hope that you would be very sensitive to those States that are not involved to the degree that some of the more heavily populated States are, and I think that is very critical.

I think the Senate recognized that in our version of the bill. Actually, I think that was done by the Banking Committee members of the Senate. We did not get what we had thought we had in our bill. It came as a surprise to me.

Mrs. DOLE. I do appreciate it. I am very sensitive to what you are pointing out and I appreciate that. I think it is the kind of issue—as you say, so much was happening there—it is something that I would want to be thoroughly familiar with before really making a definitive statement on it. But I am very sensitive to what you are saying and the concerns that you point out and I would be happy to take a hard look.

Senator SYMMS. I apologize I wasn't here when the senior Senator from Kansas introduced you. As a matter of record, is he supporting you?

Mrs. DOLE. He had better not come home to dinner if he doesn't. There will be no dinner.

I believe he is.

Senator SYMMS. Thank you. I look forward to working with you, Mrs. Dole.

Senator STAFFORD. Thank you, Senator Symms. The chairman can assure that Senator Dole was supporting the nominee at 10 o'clock this morning.

Senator Baucus.

Senator BAUCUS. Thank you, Mr. Chairman.

Mrs. Dole, knowing how busy you are, I am surprised there is going to be any dinner at all.

Mrs. DOLE. That is the normal situation.

Senator BAUCUS. I am interested in the question that Senator Moynihan asked you about the user fee that the administration has sent up in the past and also in regard to modernizing deep ports. As you know, the user fee issue is a controversial issue.

Senator Domenici, as the Budget Committee chairman, is somewhat interested in user fees too.

Senator DOMENICI. I don't have any ports.

Senator BAUCUS. This Senator does not have any ports either. The State of Montana is about the fourth largest wheat producer in the country. Unfortunately, we have severe transportation problems. One is that we have only one railroad to speak of and that railroad is in a monopoly position and does charge some high freight rates to the Montana grain producers. The mileage basis is much higher than any other part of the country. In fact, they are about 55 percent higher than hauling wheat from the State of Nebraska and basically because

the transportation competition is from Nebraska. We do not have that in Montana.

To further complicate matters, the only other way to haul grain out of Montana—by the way, we export out of the State of Montana and about 60 percent of it is exported overseas. Our biggest customer is Japan. Besides the railroad, the only other form of transportation for grain is a combination of trucks and barge. They pick it up in Montana and unload it in Lewiston, Idaho, and by barge on the Columbia River to export to specific countries.

The difficulty is this. User fees obviously are passed on from the shippers to the Montana producers. Already our wheat is the most expensive wheat, basically, in the country. First of all, it is prime wheat, the transportation cost is more expensive. So any user fees that are added on to the barge industry are then automatically passed on to the producers. And that makes our grain even less competitive than might otherwise be.

From a very practical point of view, in light of the pragmatic, practical aspects tend to be more important than theoretical.

I am asking you and the Department to send up some legislation, and recommend that you pay close attention to those concerns. They are not only mine but they are also the concerns of other members of this committee. Senator Abdnor joined me in a hearing on this very issue in Great Falls, Mont., about a year ago. I know Senator Burdick on this committee is also interested in these same issue.

If you could, I wish you could find some magic formula that takes care of the concerns of the Senator from New Mexico as well as the Senators from Montana and North and South Dakota.

Mrs. DOLE. I will look forward to working with you as we move toward the development of this legislation. I know that there are a number of very complex issues, that have to be figured out and I really will welcome the opportunity to work with the members of this committee.

Senator BAUCUS. Thank you very much.

Senator STAFFORD. Thank you very much, Senator Baucus.

We are always pleased to have the chairman of the Budget Committee here, a valuable member of this committee as well, Senator Domenici.

Senator DOMENICI. Thank you, Mr. Chairman, I apologize for being late, I had to get the budget for the Budget Committee approved so I had to have my own meeting.

Let me say, I am delighted to be here and look forward to supporting you. So that makes the questions very easy because I have already made up my mind.

I would like to add to what Senator Baucus said. You know this and you will certainly, in studying user fees, find it out in spades. The Senator from New Mexico does not claim the singular supporting role in reference to user fees on inland waterways to equalize the transportation cost in the country. I am in very good company. Every President since Franklin D. Roosevelt in his second term has submitted the user fee concept because of the imbalance that is created in different transportation modes. I certainly don't want to get you in the middle of that, but the President, for whom you serve, has also submitted a proposition, if we are going to revive and rebuild various

projects that are going to be needed which are in the hundreds and millions of dollars that is going to be continually more difficult to get that done with appropriations from the general funds of the country.

So, I don't want to leave it as if I have some personal vendetta to get this done. It is only in the concept of an overall transportation mode that I approach it.

Having said that, let me change to another subject.

You and your Department for the first time in the history of relationships between the Federal Government and the Indian people, your Department by virtue of the last bill will be involved in Indian transportation needs, in particular with reference to roads and bridges.

Historically the Bureau of Indian Affairs had direct appropriation under the category of Indian roads and bridges solely within the jurisdiction of the Bureau of Indian Affairs. That is how we help them get roads and bridges. Now in the new bill they get a small allocation of the user fund, $75 million. Effectively it turns out, Mrs. Dole, this year they get $75 million and they get the previous appropriation which makes for a very, very good start. They would get over $100 million this year. But the interesting thing is that, under the law, we have given you some kind of joint oversight in that regard as to the needs and the development of an adequate plan for the utilization of the moneys on the Indian lands and reservations. I assume you are aware of that?

Mrs. DOLE. Definitely.

Senator DOMENICI. I want to suggest to you that is a very important role and I hope that you would agree here in the record to get the people in the Department to get on with that. It is a new role, it means you share it with Secretary Watt. I would hope in the near future you could address that issue and I hope you take it as a role in terms of looking at the needs and how well moneys are being spent, how well the Indian people are being advised, their needs being considered. I hope you would consider that you have an important role.

Mrs. DOLE. Indeed I do. I certainly will do that. I look forward to the opportunity of working with you.

Senator DOMENICI. Let me suggest to you that there is some indication among the Indian leaders that they ought to have a little bit more input into plans and schedules and priorities and I would hope that you and your Department would look at that too even though it has been BIA. I think you are involved now and I hope you will take it as a serious obligation.

Mrs. DOLE. We will.

Senator DOMENICI. I have no further questions. Thank you very much, Mrs. Dole.

Senator STAFFORD. Thank you very much, Senator.

Senator Randolph, the Chair will recognize you for a further observation and for proposing some action on the part of the committee.

Senator RANDOLPH. Thank you, Mr. Chairman.

Senator Moynihan and Senator Baucus called attention to the matter of improving our port facilities with an emphasis on products such as wheat and coal.

So that the record may be rounded out on this subject, Mr. Chairman and my colleagues will recall that this committee reported legislation in this area in late 1981. We had extensive hearings. We felt that the legislation that we presented was in the right direction. This

was a controversial measure because we began to see that not only the ports of Baltimore and Norfolk and Hampton Roads and the States of Maryland and Virginia were involved as we originally had felt, but there began to be a port here and a port there and we began to see 10 or 12 ports that would call on us for funding for the widening and deepening of the channels so that the ships could come in and take these products.

I want to hope, Mr. Chairman, that we can come back to this subject. I am sure that those within the committee on both the majority and the minority will want to do that. But again I say, we did not delay it. We did report from this committee a bill and other members will remember that we had difficulty in moving it forward.

We are not the committee of jurisdiction, Mr. Chairman, in reporting favorably this nominee to the Senate.

Senator STAFFORD. That is true.

Senator RANDOLPH. But we are a committee that has historically worked with the Secretary of Transportation and have had hearings such as the constructive one today with Mrs. Dole.

I wonder, if within our rules in this instance, because we have had 11 or 12 members present, it could be a voting situation? That it be the sense of the members of the Committee on Environment and Public Works that the nomination of Mrs. Dole be approved.

Senator STAFFORD. The Chair thinks a resolution would be appropriate expressing the sense of the Committee. The Chair has noted that 11 members of the committee have been present today. The Chair will accept that as a resolution without objection and recognizes Senator Symms to second the resolution.

Senator SYMMS. I second the resolution.

Senator STAFFORD. Senator Domenici.

Senator DOMENICI. Is this in any way different from a normal nomination?

Senator STAFFORD. No, only that we recognize the Commerce Committee has jurisdiction. We have clearly invited the Secretary-Designate to meet with us because she will find she has probably more contact with this committee than with the Commerce Committee.

So the motion has been made and seconded that the committee resolve that Mrs. Dole be confirmed, I would say speedily, as Secretary of Transportation.

Mrs. DOLE. Thank you.

Senator STAFFORD. And the Chair will put the question to the committee. All those in favor will say aye.

(A chorus of ayes.)

Senator STAFFORD. Opposed?

(No response.)

Senator STAFFORD. The ayes appear to have it. The ayes do have it and the vote is unanimous.

Mrs. DOLE. Thank you.

Senator STAFFORD. With that, we wish you all good luck, good speed, and we look forward to working with you over the next 2 years.

The committee stands adjourned.

[Whereupon, at 11:30 a.m., the committee recessed, to reconvene subject to the call of the Chair.]

[Mrs. Dole's prepared statement and responses to written questions follow:]

STATEMENT OF

ELIZABETH H. DOLE

NOMINEE FOR U.S. SECRETARY OF TRANSPORTATION

U.S. SENATE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

JANUARY 27, 1983

Mr. Chairman: I am pleased to have the opportunity to appear before the members of this Committee. It is my intention to answer your questions forthrightly and as fully as I can. I will also welcome your advice and the benefit of your counsel in dealing with the transportation issues before the nation.

Let me say first that it has been a real privilege for me to serve the Government, both in this and earlier Administrations. I am honored that President Reagan has asked me to serve in his Cabinet and, if confirmed, I will make every effort to justify his faith in me and to earn the confidence and support of the American people.

Ultimately, of course, I work -- as you do -- for the people themselves. As Assistant to the President for Public Liaison, I have had occasion to meet with a great many citizens representing a variety of the nation's interests and concerns. Working

with them individually and through their organizations, I have come to value their diversity, respect their concerns and admire their perseverance and imagination. Nor have I forgotten the insights gained as a member of the Federal Trade Commission and in the White House Office of Consumer Affairs. I learned long ago the importance of an open door and an open mind. I have no intention of closing either as a member of the Cabinet.

I am most grateful for the outstanding work Secretary Lewis has done over the past two years. I have the highest regard for the way he has handled a broad range of issues, and tremendous admiration for his resolve and his commitment to principle. To the traveling public he has shown both common sense and an uncommon sensitivity. I intend to follow that example. And I look forward to continuing his practice of regular consultations with Congressional leaders and relevant committees. Much has begun to move on the transportation front over the last few years; I know you join me in a desire to maintain the momentum.

I am sure there is no need for me to bring before the very knowledgeable members of this Committee a detailed list of the many important transportation issues before us. While I want to mention a few of those issues, they in no way constitute an exhaustive list. Much has changed since the days when Will Rogers looked at America's highways and concluded that the best way to solve all our traffic problems would be to pass a law that only paid-for cars be allowed to use the public roads. Today's transportation

planners must worry less about whether automobiles are paid for, and more about whether the roads and bridges they travel are safe and in good repair. We must define the proper relationship of automobile traffic to public transit. We must look to the skies, and move ahead with the modernization of our national airspace system. We must not neglect the rails, nor ignore the opportunity to return Conrail to private sector management. We must be concerned with the need for port modernization, and offshore, we must take an interest in the reform of maritime regulations. We must strengthen the partnership between employees and management in the FAA.

Perhaps most important of all, we must take seriously our mandate to safeguard human life. With that objective uppermost, we must be untiring in efforts to curb drunk driving, increase the use of safety belts and child restraint systems, and end the senseless slaughter of innocent lives by those who forfeit a claim to our sympathies by their own irresponsible behavior on America's highways.

Beyond this list, necessarily brief, there are a number of general principles that will guide me in the decision-making process. And there are several objectives that -- with your support and counsel -- I will make every effort to achieve.

Safety in all modes of transportation, for example, will have high priority and I will seek to intensify the Federal focus on transportation safety programs.

Administratively, I believe with all possible conviction in a style of management that treats employees as partners and allies in a common cause. I view two-way communication as an absolute prerequisite to good administration. And I intend to go on listening, asking questions and thinking carefully about what I am told in response -- just as I have tried to do for the last two years in hundreds of meetings with organized Americans of every persuasion and every perspective. In the course of these meetings, I have had the opportunity to hear from agriculture, business, labor and virtually every other sector of our society and have conveyed their concerns to the highest levels of our government. At the same time, I am keenly aware that good intentions can sometimes be scuttled by bad administration, that the nation's capital and its policy-makers have no patent on wisdom, and that there is nothing incompatible between a government that cares about people and one that cares about spending their money wisely. With this in mind, we will search out new ways to reduce expenditures without curtailing essential services. And we will explore ways to be more effective in motivating people.

We will continue to pursue the process of deregulation whenever it serves the best interests of the public, but we will remain sensitive to the temporary dislocations that changes in regulatory policy can cause. Especially within the Federal/state/local partnership will I seek to reduce the red tape that too often frustrates ambitions and stifles creativity.

We Americans always have been a people on the move. As inventive as we are restless, our innovators and engineers have created extraordinary opportunities for commerce and the average citizen alike. Nor have we lost our taste for innovation; our appetite for excellence. I regard these as the most exciting of times in the transportation field, when concern over America's infrastructure is at last more than a passing phenomenon, when an economy in flux demands more than ever before from the transportation network. I recall the words of Winston Churchill, written at a time when the old engines of progress were yielding to man's insistence on traveling further and faster than in the past.

"Victory is the beautiful bright-colored flower," wrote Churchill. "Transport is the stem without which it could never have blossomed."

Churchill wrote those words in the late 19th century, in a different era and in a context of strife. But it remains true today that transportation is the lifeblood of a modern economy. We know that it spells the difference between cities that are great, and neighborhoods tinged with despair -- between rural life made prosperous and that lived out on the margin of existence -- between a nation drawn closer in awareness of its own potential and one at odds with that potential.

Because I see such possibilities, and because I know you share my view, I look forward to working with you in serving our nation of travelers.

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

MAR 7 1983

The Honorable Robert T. Stafford
United States Senate
Washington, D.C. 20510

Dear Senator Stafford: Bob

Enclosed are responses to the questions that you asked me to answer for the record. These are answers to questions raised by Senator Simpson and you.

Thank you for the courtesy that I received before your Committee. I sincerely appreciated the opportunity to respond to the Committee's questions both at the hearing and in writing. The comments of the Members of the Environment and Public Works Committee were very valuable to me and they will be very helpful as we grapple with the important transportation issues before us.

I look forward to working closely with the Committee.

Sincerely,

Elizabeth

Elizabeth Hanford Dole

Enclosures

Senator Stafford
Question 1

HIGHWAY TRUST FUND FINANCING

QUESTION: What is your view of the Highway Trust Fund as the mechanism for funding the highway program? Do you believe there are other methods of financing the highway program which would be just as effective or more effective?

ANSWER:

The use of highway-user taxes dedicated to the Highway Trust Fund has had broad public support as an equitable approach to financing the Federal-aid highway program because the beneficiaries of the highway system assume the cost of building and improving the system.

I am not aware of any other funding mechanism, evaluated to date, that would be as effective as the Trust Fund.

Senator Stafford
Question 2

INTERSTATE COMPLETION

QUESTION: The Interstate System, as you know, is now close to completion. Some very expensive urban projects remain, however, and many of them are of primarily local and regional significance. Do you believe that the system as presently planned should be completed no matter what the cost, or should another look be taken at redefining what is meant by completion of the Interstate?

ANSWER:

I do not believe there is a need for further Federal redefinition of Interstate completion at this time. The completion and preservation of the Interstate System constitutes the highest of our priorities. I believe the Federal-Aid Highway Act of 1981, which provided for a redefinition of Interstate completion and reduced the estimated cost to complete the system from $53.8 billion to $38.9 billion, together with increased authorization levels provided by the Surface Transportation Assistance Act of 1982, will enable us to complete the Interstate System by the early Nineties. Regarding expensive uncompleted urban projects, State and local officials are considering less costly, scaled-down Interstate facilities in place of some projects included in the Interstate Cost Estimate. The option for withdrawal and substitution of Interstate segments not needed for system connectivity provides additional flexibility for modifying the system as planned. I believe that the current law provides sufficient latitude to complete the Interstate System in a cost-effective manner.

Senator Stafford
Question 3

NEW FEDERALISM AND THE HIGHWAY PROGRAM

QUESTION: There has been much discussion over the past two years of New Federalism and its application to the Federal-aid highway program. Do you believe that there should be a greater sharing of responsibility with State and local governments, and if so, how would you approach implementation of New Federalism initiatives in the highway program area?

ANSWER:

The Federal-aid highway program as it currently exists is an excellent example of the "new federalism" philosophy at work. From its beginning, this program has been administered with significant participation of State and local officials. In this partnership with the States, these officials select the projects, administer the contracts and operate the facilities constructed.

There are some programs being administered at the Federal level for which there is little or no Federal interest. Such programs could and should be the full responsibility of the State and local governments. I understand that discussions over the past year have resulted in an identification of several highway programs that fit into this category -- the urban and secondary system programs, safety construction programs, and a program that pertains to bridge on local roads (below the primary system). Under the new federalism concept, State officials would have authority to establish their own priorities and use these funds for a wide variety of highway projects.

Senator Stafford
Question 4

OBLIGATION OF HIGHWAY FUNDS

QUESTION: There has been concern expressed about how quickly States will be able to obligate Federal highway funds. To your knowledge, has there been any problem discovered to date in this area? Can you give us an idea how quickly States are obligating funds?

ANSWER:

President Reagan signed the Surface Transportation Assistance Act of 1982 into law on January 6, 1983. Except for certain discretionary funds all Interstate and non-Interstate funds authorized by the Act were apportioned to the States on the same day. Obligations of $902 million during January exceeded all January's except one in the past 10 years. Our February obligations indicate that this high rate is continuing. We are unaware of any problems.

Senator Stafford
Question 5

EQUITY OF NEW HIGHWAY USER FEES

QUESTION: Last year the DOT completed its cost allocation study which examined what portion of highway construction costs should be allocated to various user classes. The trucking industry has been highly critical of the DOT study and the increase in the heavy vehicle use tax approved by Congress last month. Do you support the findings of the DOT study? Do you believe the newly revised highway tax structure is equitable?

ANSWER:

Yes, I support the findings of the highway cost allocation study. This study compared wear and tear caused by vehicles to the amount that they paid under the tax rates as they existed prior to the increases approved in January. The study found that heavy combination trucks were underpaying their cost responsibility by an average of 35 percent while single unit trucks (not including pickups or vans) were paying on the average nearly double their share.

The new highway user fee structure represents a major step in the direction of more equitable user fees. Some inequities still remain:

- Heavy trucks as a whole will continue to pay less than their fair share while middleweight trucks will continue to overpay, but the respective underpayments and overpayments will be less than previously.
- Low-annual-mileage trucks will pay more per mile of operation than high-annual-mileage trucks, so overpayments and underpayments by individual vehicles vary widely, in some cases, from vehicle class averages.
- Buses and users of gasohol will not be paying their fair share of highway costs because of exemptions. However, other societal and economic considerations were deemed to warrant the exemptions.

Senator Stafford
Question 6

GASOHOL EXEMPTION

QUESTION: Under the new highway user tax structure, gasohol, which is currently exempted from the 4 cents per gallon Federal gas tax, will be exempted from 5 cents of the new 9 cents per gallon Federal gas tax. Do you favor continuation of the gasohol exemption or would you recommend a change?

ANSWER:

From a highway cost allocation perspective there is no reason to exempt users of gasohol from paying their share of highway costs. As with other exemptions, however, many other "public good" questions arise. Congress may choose to support a new industry with tax credits or exemptions when Congress believes that the industry has desirable products and by-products. Use of gasohol reduces our dependence on foreign oil, creates a standby market for excess grain production and has other consequences, most of which are not transportation-related. I accept the current decision of Congress as to the appropriate level of gasohol subsidy.

Senator Stafford
Question 7

TOLL ROADS

QUESTION: Recently there has been renewed interest in toll roads. What is your view on toll financing of highways and do you believe this is a feasible program alternative?

ANSWER:

Toll financing of highways has recently received considerable attention as a part of the effort at the Federal, State, and local levels to examine all financing mechanisms with potential for increasing highway revenues to meet pressing highway needs. I believe that permitting toll financing for construction of Federal-aid highway projects is appropriate under certain circumstances, and is consistent with our efforts to provide increased flexibility to States in administering their transportation programs.

I understand that the Administration's highway legislative proposal contained a provision that would have permitted toll financing for new Federal-aid highways subject to certain agreements. That provision was not included in the recently enacted highway bill, but I will continue the DOT's examination of this issue to determine an appropriate Federal toll policy.

Senator Stafford
Question 8

HIGHWAY BEAUTIFICATION ACT PROPOSAL

QUESTION: In my view, the original purposes of the Highway Beautification Act have been altered in a way that is destructive to the program. This has been due, in large part, to amendments passed in 1978, which required that cash compensation be paid for all outdoor advertising signs removed, whether or not the Federal law caused the sign to be removed. In the past, I have introduced legislation that would return this program to the state and also return their ability to provide either cash compensation or amortization. Would you favor such an approach?

ANSWER:

The Federal Highway Administration has been studying the Highway Beautification Program since 1979. During the last Congress a number of legislative proposals were introduced.

It is my view that some modifications to the program may be in order. Nevertheless, I would like to take the opportunity to review the program in greater detail before determining if legislative revisions are required.

Senator Stafford
Question 9

NATIONAL WATER TRANSPORTATION POLICY

QUESTION: Do you intend to work with the U.S. Army Corps of Engineers and other agencies to develop a sound national water transportation policy?

ANSWER:

Yes. The Department of Transportation and the Department of the Army have developed a close working relationship in the past few years. Also, we frequently consult the Department of Agriculture on matters affecting transportation of farm products. I intend to continue and strengthen these cooperative relationships as we address national water transportation policy issues.

Senator Stafford
Question #10

WATERWAY USER CHARGES

QUESTION: Do you favor the concept of user charges to recapture a significant portion of the taxpayer expenditures on waterway and other commercial transportation investments?

ANSWER:

Yes. Financing Federal transportation expenditures through charges to the users rather than from the general taxpayer is fair to all and promotes a more efficient transportation system. Further, waterway user charges would provide a stable source of revenue to construct and maintain the nation's waterways.

Senator Stafford
Question #11

TRUCK STRIKE

QUESTION: Some of the independent truckers have indicated they will go on strike to protest higher fuel and truck-related taxes. What will the Department of Transportation's response be to such actions?

ANSWER:

The Department has let the truckers know that it will work with them to come up with solutions to some of their problems. For example, we will be accelerating our report to Congress on alternatives to the heavy vehicle use tax and we expect to reintroduce legislation that is intended to reduce the administrative burden which the truckers face in dealing with separate state registration and licensing. Our position is that we will work with the truckers when the violence has ceased but will not negotiate in an atmosphere of threat and coercion.

Senator Stafford
Question #12

CONSTRUCTION EMPLOYMENT

QUESTION: Secretary Lewis and others offered estimates last month on the number of jobs that would result with passage of the highway/transit bill. (a) Now that that legislation has been enacted, do you have updated figures on its job creation effects? (b) There has been one estimate that 4 percent of those new jobs will be filled by women. Do you have any data on the percentage of jobs female workers will fill?

ANSWER:

We have no new information on the number of jobs that will come about as a result of the highway/transit bill. It is too early to get any hard data on actual hirings; thus, the earlier estimates are the best information available. We do not have detailed information on numbers of women employed in construction.

Senator Stafford
Question 13

MINORITY BUSINESS ENTERPRISE PROGRAM

QUESTION: What is your view with regard to encouraging minority business participation in programs and projects administered by the FHWA?

ANSWER:

I intend to ensure that minorities participate as fully as possible in the economic benefits resulting from programs and projects administered by the FHWA. Sec. 105(f) of the STAA of 1982 provides that 10 percent of funds authorized to be appropriated by the Act be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals will be vigorously implemented.

The Department will shortly publish a proposed rule to implement this statute. The proposal will build on the Deparatment's existing minority business rule in order to carry out the statute effectively and with minimum added burdens on recipients and contractors.

Senator Stafford
Question 14

FEDERAL HIGHWAY ADMINISTRATION RIFS

QUESTION: According to the recently published DOT Employment Facts, a disproportionate number of those separated from their jobs at FHWA in FY 1982 were women and minorities. Would you describe the impacts of the forced reductions on minorities and women compared to other FHWA employees? What can be done to lessen the impact of reductions on these groups?

ANSWER:

Approximately 50 percent of the FHWA employees separated in FY 1982 as a result of the reduction in force were women and minorities. The primary reason for the impact on minorities and women is the importance of seniority in reduction-in-force procedures. As a result of significant increases over the past several years in the recruitment and hiring of minorities and women, that group of employees had less seniority when compared with others in carrying out the agency reduction in force.

The most effective way to lessen the impact of reductions on these groups is to revise current governmentwide regulations which emphasize seniority when carrying out reductions-in-force procedures.

attract and retain minorities and women within the Agency. The Department has sponsored a number of initiatives in recent months that will help to integrate separate operating administration programs into Department-wide programs and efforts. For example, Secretary Lewis recently established a Department of Transportation EEO Executive Committee comprised of top-level managers throughout the Department. The Committee has been directed to identify EEO and affirmative action problems that may exist within the Department and to develop programs designed to address these problems. The Committee has been directed to focus on these areas: (1) increasing the representation of women in the Department, especially in the middle to upper grades; (2) increasing the representation of Hispanics at all grade levels; and (3) increasing the representation of Blacks, especially in the upper grades. I intend to urge the Committee to examine these areas and to design and implement programs in a timely manner.

In addition to the Executive Committee, a DOT order was recently issued that will implement a Department-wide Women's Program aimed at consolidating the separate modal administration programs. A similar order is being developed for a Department-wide Hispanic Program. These programs will be designed to aid in recruiting and promoting and identifying promotional barriers for Women and Hispanics. I look forward to implementing both of these coordinated programs. We also plan to continue the Cooperative Education and Upward Mobility Programs which support and complement our EEO efforts.
EEO efforts.

Senator Stafford
Question #16

SURFACE TRANSPORTATION ADMINISTRATION

QUESTION: Over the past several years there have been proposals to combine the FHWA and UMTA into a single Surface Transportation Administration. What is your view of such a proposal?

ANSWER: One of my objectives is to improve the performance and efficiency of the Department. It is possible we may be able to improve the Department of Transportation by making some organizational changes. I will be examining in the near future some organizational proposals. I seriously doubt, however, that the Surface Transportation Administration as it relates to a highway/transit merger will be one of them.

Senator Stafford
Question #17

TRANSPORTATION NEEDS IN RURAL AREAS

QUESTION: Many committee members are from primarily rural states. How would you characterize the similarities and the differences in transportation needs of rural and urban areas?

ANSWER:

Personal and special transportation needs in rural and urban areas are basically the same; the differences are in the magnitude and distances. In urban areas, high utilization, fixed facilities and convenient services increase the efficiency of public and private transportation facilities. Conventional public and private systems are inefficient in low density rural areas because of sparsely, distantly settled population centers with limited services. Alternative transportation is scarce in rural areas and there is a strong dependence on the private automobile.

Senator Stafford
Question #18

FEDERAL-AID HIGHWAY PROGRAM

QUESTION: Where do you see the priorities of the Federal-aid highway program falling within the total transportation program?

ANSWER: The Federal-aid highway program is clearly a very important element of our overall transportation system. Highway transportation accounts for about 92 percent of our domestic passenger miles and over 18 percent of our domestic cargo ton miles. Therefore, our Federal-aid highway policies, including highway safety, will be given high priority.

Senator Stafford
Question #19

DISCRETIONARY GRANT PROGRAM

QUESTION: Both the Federal Highway Administration and the Urban Mass Transportation Administration administer discretionary grant programs. In view of the fact that resources are limited and many States' fiscal years end in June, would you agree that it is important to distribute these grant funds as quickly as possible. What procedures do you plan to follow to assure that these funds are made available to the States as quickly as possible?

ANSWER: The funds in question are being allocated as promptly as possible. Allocation assignment decisions for Discretionary Bridge Replacement and Rehabilitation funds and Public Lands funds have been made. Discretionary Interstate construction funds are being allocated on a first-come, first-served basis in response to requests for funds to finance high cost projects that directly contribute to the completion of an Interstate segment which is not open to traffic.

The Urban Mass Transportation Administration's (UMTA) regional offices have maintained on-going working relationships with the grantees to avoid any scheduling problems in the funding for discretionary capital grant projects. The formula grant program of UMTA provides for most capital projects, while the discretionary grant program supplements these funds to provide capital assistance on large or extraordinary projects (i.e., rail modernization, bus facilities, etc.). Traditionally, UMTA has obligated all its available discretionary funds each year. This will total $1.6B in FY 83 and $1.1B in FY 84.

ANSWER: (Cont'd)

The Surface Transportation Assistance Act established the Mass Transit Account of the Highway Trust Fund to fund the discretionary grant program beginning in FY 1984. The new requirements provided in the Act for the discretionary grant program will be published in a circular this summer. These requirements will be streamlined to simplify the process for grantees. We expect no disruption in the normal process of grant awards for this program under the new law.

Senator Simpson
Question #1

DOT INITIATIVES FOR U.S. RAILWAY SYSTEMS

QUESTION: Wyoming and other western states of sparse population and long distances, rely heavily on both highway and rail transportation. The roads and rails carry our goods and people from one part of these states to another, and are the major forms of transportation. I believe that the railway system in the United States has been long neglected, and that the Federal government must continue to strive for an AMTRAK which pays its own way, encouraging competition within the industry. Do you foresee any initiatives from the Department of Transportation to spur development of the railway systems in the United States?

ANSWER:

I understand your concerns about U.S. railroad freight and passenger services and the need to increase the competitiveness of the railway systems with other modes. The Department will continue to support deregulation of the railroad industry, removal of artificial barriers to intermodal ownership, and reduction of Amtrak's dependence on Federal government subsidies.

We do not expect to propose legislative changes concerning freight railroads because many of the necessary legislative provisions are in place and administrative deregulation is proceeding quite well. The Staggers Rail Act removed most rail rates from ICC jurisdiction, an action which has enabled the railroads to achieve productivity gains and increase their market share during the recent recession. Further relaxation of regulatory constraints by the Interstate Commerce Commission, such as the recent change in policy on intermodal ownership, will place the railroads in a position more competitive with other freight transportation modes. Under this Administration, the Department reduced Amtrak subsidies from $905 million to $700 million. While Amtrak will never be profitable, DOT will continue to urge that Amtrak operating revenues cover 50% of costs required under current legislation.

Senator Simpson
Question 2

TRUCKING ACTIVITIES

QUESTION: The combination of deregulation of the trucking industry and the user fee imposed on truckers in the Surface Transportation Act of 1982 have caused severe hardships on an already depressed industry. Do you anticipate any regulatory initiatives to assist the small independent truckers during this period?

ANSWER:

The new Surface Transportation Assistance Act of 1982 does several things affecting truckers. First, it increased the tax on the heaviest trucks, but at a rate that still keeps truckers' costs below their share.

Second, it defers any increase in the annual user fee on heavy trucks until July of 1984 for fleet operators and July 1985 for independent truckers operating five or fewer vehicles. Even then, the new fees will be increased gradually and phased-in over a period of four years. The fuel tax increase will go into effect this April, but, with the soft petroleum market, it does not look like the entire increase will pass through to the consumer in the price at the pump.

It is only fair that truckers pay for the damage that they cause. Since the trucking industry relies extensively on the nation's highways -- they are, in effect, the truckers' "factory" -- they will be among the major beneficiaries of the better roads the new law supports. That law, I might add, also provides a number of substantial "fringe" benefits for truckers, designed to reduce their operating costs, improve efficiency and increase payload. By our estimate, the benefits gained by the trucking industry will be two to three times greater than the increase in user fees.

This is not to deny that truckers have some real concerns, one being the hodge-podge of state regulations and registration requirements. There is little symmetry in these and they pose a paperwork barrier to productivity for the interstate trucker. We have offered to work with the truckers, and with the Congress to achieve a uniformity in these areas. I have personally told members of the trucking industry that it is to our interest as well as theirs to improve the environment in which they operate.

Senator Simpson
Question #3

VEHICLE DAMAGE TO HIGHWAYS

QUESTION: What policies and procedures are used to determine damage to roads by the large trucks versus the smaller vehicles? I would inquire as to the use of a "test strip" for highways where there would be one section of roadway three to five miles long which would be used only for trucks of 80,000 pounds and another "test strip" which would be used only for passenger vehicles. Each of these strips would be built of the same materials and be subject to the same weather conditions and all other extraneous factors. It would seem to me that it would be simpler to gauge the "wear and tear" on these "test strips" as occasioned by these differing uses. Would you furnish me the results of such tests please? If such tests have not been conducted, is there a possibility for the conducting of those tests?

ANSWER:

The policies and procedures used by the DOT are based upon theoretical models, the American Association of State Highway and Transportation Officials (AASHTO) Road Test and many years of experience. The AASHTO Road Test was a cooperative full scale test involving the AASHTO, the Federal Government and interested industries. The primary purpose was to evaluate the effects of different vehicle loads. It was conducted in Ottawa, Illinois between 1959 and 1961 at a cost of $27 million and represents the most comprehensive undertaking of its type to date. Traffic of various weights traveled over five separate loops. The intention was to simulate as nearly as practicable high-volume high-speed truck and passenger traffic as might be expected on a primary State route or the Interstate Highway System. The pavement experiments were planned to provide unbiased estimates of the effects of known loading and frequency of traffic on the performance of certain pavement designs. From these experiments, equivalency factors were developed that compare the relative effect of

different axle weights on the performance of pavements.

These factors are listed on pages 64-65 and 108 of the AASHTO Interim Guide for Design of Pavement Structures. I understand that the Federal Highway Administration is considering simulated traffic testing and monitoring of a limited number of actual highway sites in order to get better information to use in establishing its policies and procedures.

Senator Simpson
Question #4

FEDERAL ROLE IN FUNDING OF MASS TRANSPORTATION

QUESTION: How do you perceive the role of the Federal Government in the funding of urban mass transportation? Do you support growth in funding this area of transportation, and if so, do you support a flexible system of allocation which will allow states which are less populous to expend those funds in another area of need?

ANSWER:

Support for the development and rebuilding of the mass transportation capital infrastructure is an important part of the Federal government's commitment to the Nation's cities. However, the Administration continues to believe that providing operating assistance is not an appropriate role for the Federal government. This responsibility should be returned to local governments where the decisions are made on service levels, labor roles, and fare structures which affect needed subsidies.

The capital infrastructure commitment has been strengthened under the Reagan Administration. The passage of the Surface Transportation Assistance Act of 1982, signed into law by President Reagan on January 6, 1983, provides authorizations over the 4 year period ending with FY 1986. The Surface Transportation Assistance Act establishes for the first time a dedicated source of funding for mass transit, the Mass Transit Account of the Federal Highway Trust Fund. As with all Federal programs, the expenditure requests must take account of the condition of the economy and the President's effort to control the budget.

Finally, I believe that the Federal program should provide broad flexibility to State and local decisionmakers in formulating transportation policies and programs. To this end, the Administration and the Congress explored various mechanisms for building flexibility into the programs. I believe the new Surface Transportation Assistance Act does provide the desired flexibility. The statute permits the Governor of each State to have the flexibility of moving funds among localities of less than 300,000 population where transit needs vary widely. It also allows any locality to transfer its apportionment to the Governor to be used for transit purposes anywhere in the State.

Senator Simpson
Question #5

AIRLINE DEREGULATION AND SMALL COMMUNITIES

Question: In what ways can DOT assist the states of low population to properly deal with the effects of deregulation in the airline industry? Commercial aviation has all but disappeared in these sparsely populated states. I continue to be a strong supporter of deregulation efforts, but would inquire if you anticipate any reassessment of its impact, and a need to address this problem?

Answer:

I am aware that service to some small communities has decreased since enactment of the Airline Deregulation Act in 1978, and that Wyoming may have been particularly adversely affected. On the other hand, airline service to small communities has improved in many other locations. For example, a report by the CAB in December 1982 on "Competition and the Airlines: An Evaluation of Deregulation" states that commuter airlines have replaced jet operators in many thin, short-haul markets, with a resulting 25-percent average increase in the number of flights at those airports.

In general, I believe that airline deregulation has been a very positive step. However, I do plan to have my staff continue to assess its impacts, particularly on small communities.